

Nickel West Analyst Presentation

Chris Pointon

President - Stainless Steel Materials

11 December 2006



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Ore Reserves and Mineral Resources

The information in this presentation that relates to Ore Reserves and Mineral Resources is as at 30 June 2006 and is based on information prepared by the relevant Competent Persons. The Competent Persons agree with the form and context of the Mineral Resources and Ore Reserves presented. The complete tables of Ore Reserves and Mineral Resources as at 30 June 2006 (including the relevant Competent Persons) for Stainless Steel Materials are presented in the BHP Billiton Annual Report 2006 on pages 74 and 75.

Agenda – Nickel West Analyst Presentations

Introduction	Chris Pointon – President SSM
Marketing & Sales	Stephen Williams – Marketing Director SSM
Nickel West	Jimmy Wilson – President Nickel West
Financial Overview	Andrew Fitzgerald – Vice President Finance
Kwinana Nickel Refinery	Brett Swayn – General Manager KNR

Underlying EBIT performance continues to improve

Year ended June (US\$M)	2006	2005	% Change
Stainless Steel Materials	901	712	↑ 27%

- Record nickel production
- Yabulu expansion on schedule
- Yabulu gas conversion to improve unit costs
- New team at Ravensthorpe and tracking revised costs & schedule since August



Overview – consistent records achieved

Stainless Steel Materials CSG Performance Summary

Description	Unit	FY02	FY03	FY04	FY05	FY06
EBIT ROC	%	0%	9%	31%	31%	20%
EBIT Margin	%	1%	14%	32%	31%	31%
EBIT	US\$m	6	150	561	712	901

Note: Nickel West is included in the reported results for the month of June 2005 in FY05, and FY06 includes a full year of results from Nickel West. Years prior to FY05 have not been restated for the impact of adopting International Financial Reporting Standards (IFRS).

Analyst visit to Nickel West

Marketing and Sales Overview

Stephen Williams - Marketing Director SSM

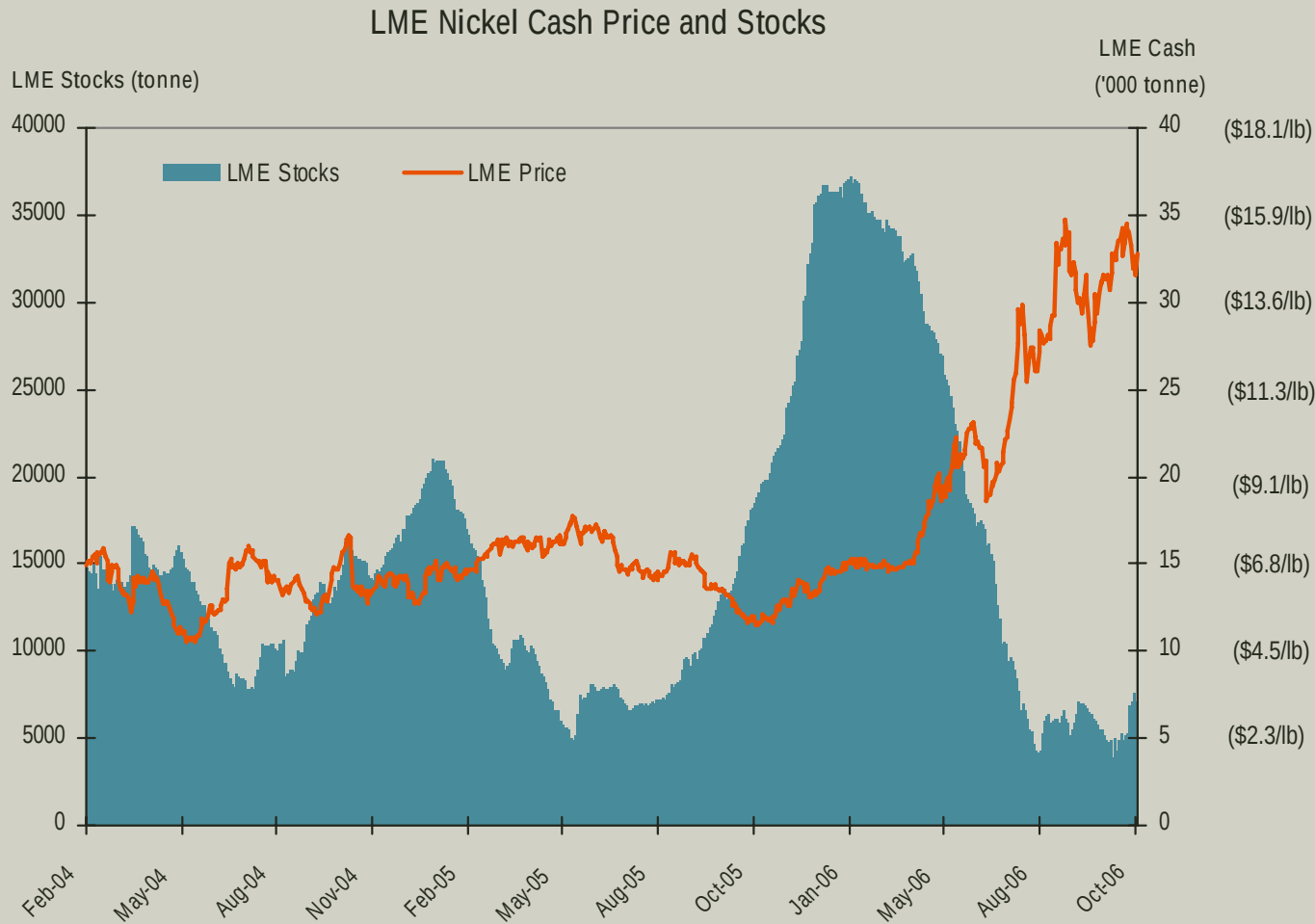
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Agenda – Nickel West Marketing and Sales Overview

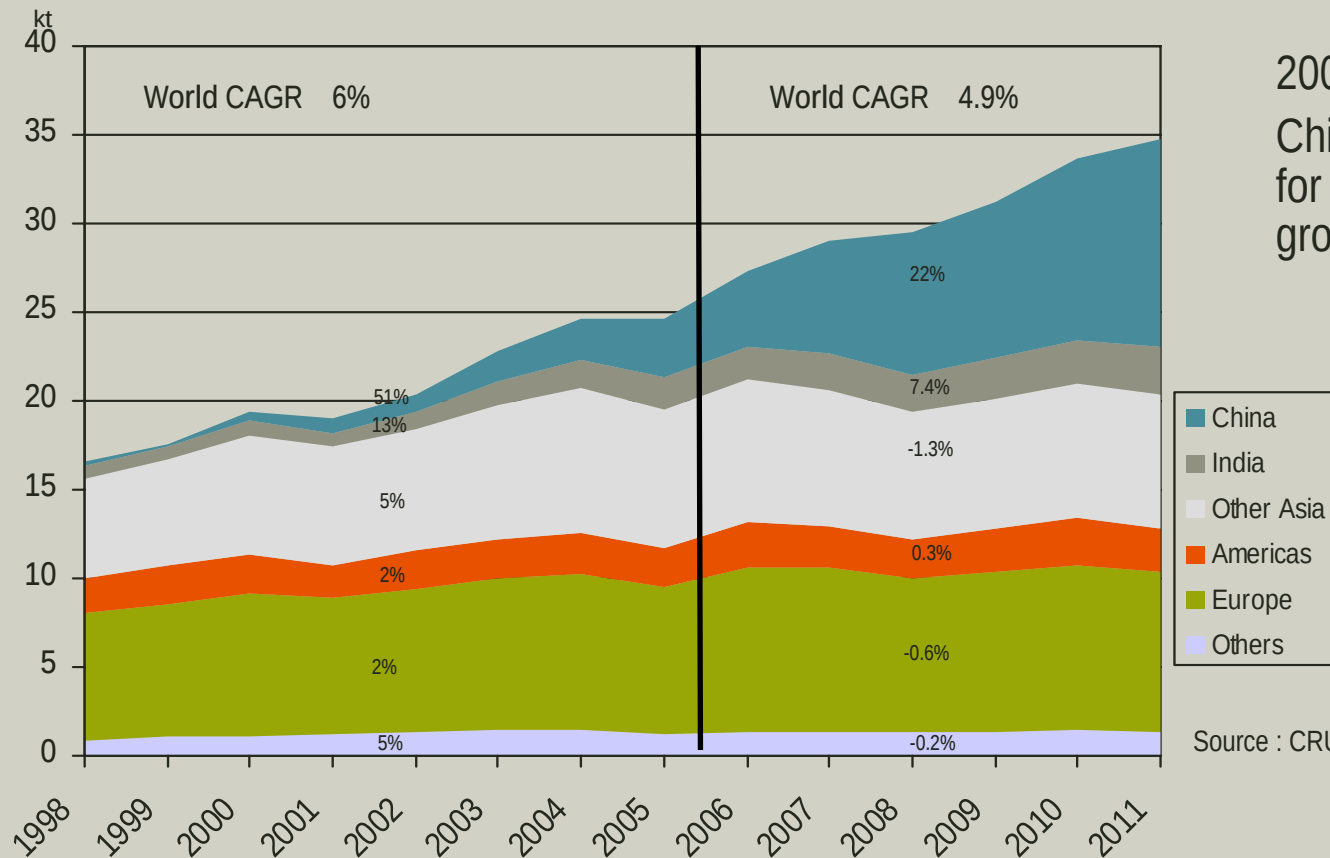
- LME Prices and Stocks
- Stainless Growth
- Nickel Supply and Demand
- Sales Profile

LME Nickel Price and Stocks



Source : LME data

Stainless Steel Production 1998 - 2011

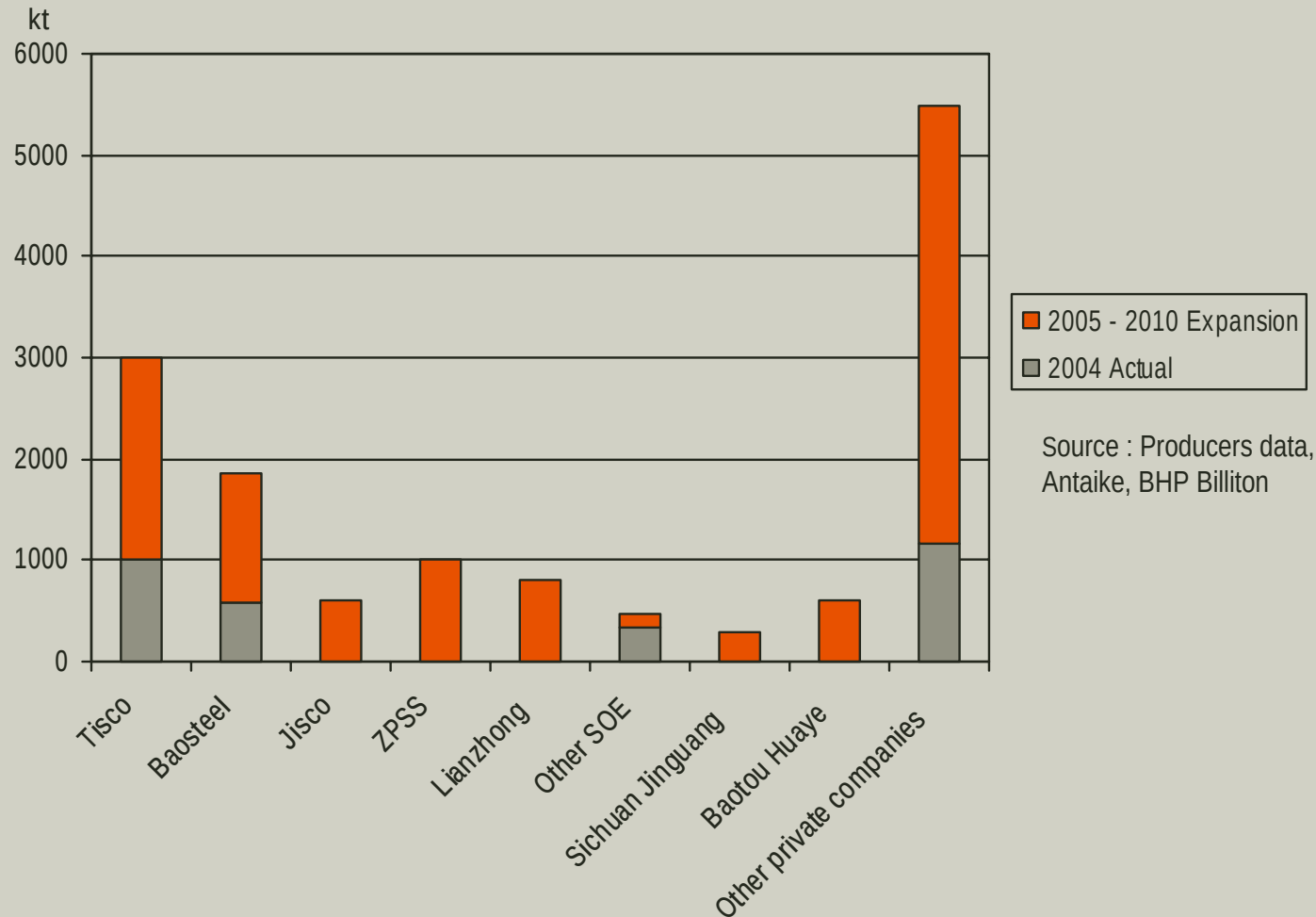


2005-2011
China accounts
for >80% of global
growth

Source : CRU

- China will become the world's leading stainless steel producing nation this year

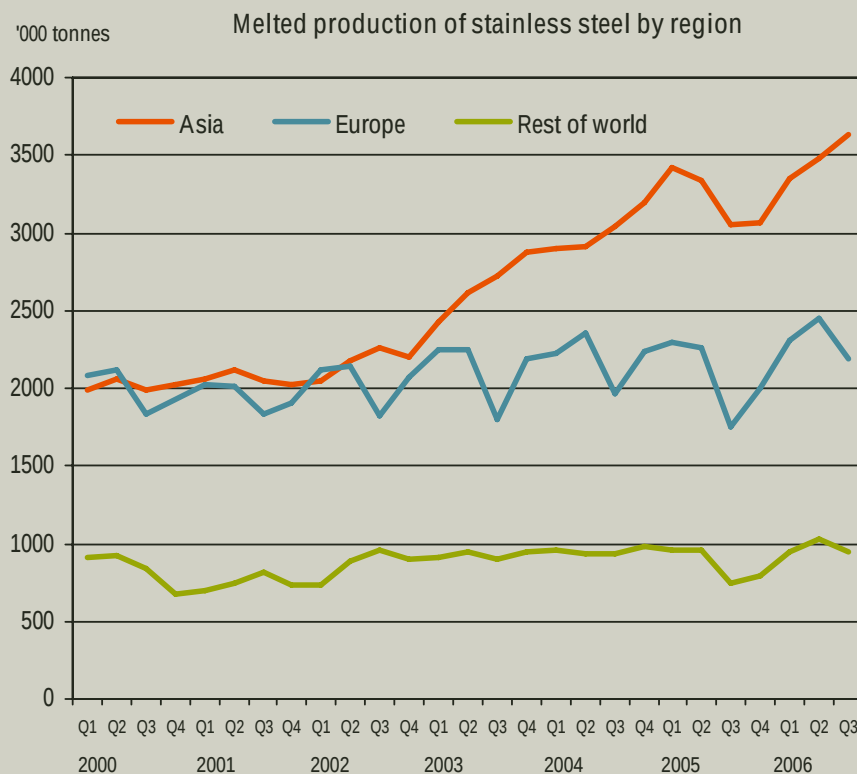
China Stainless Steel Expansion



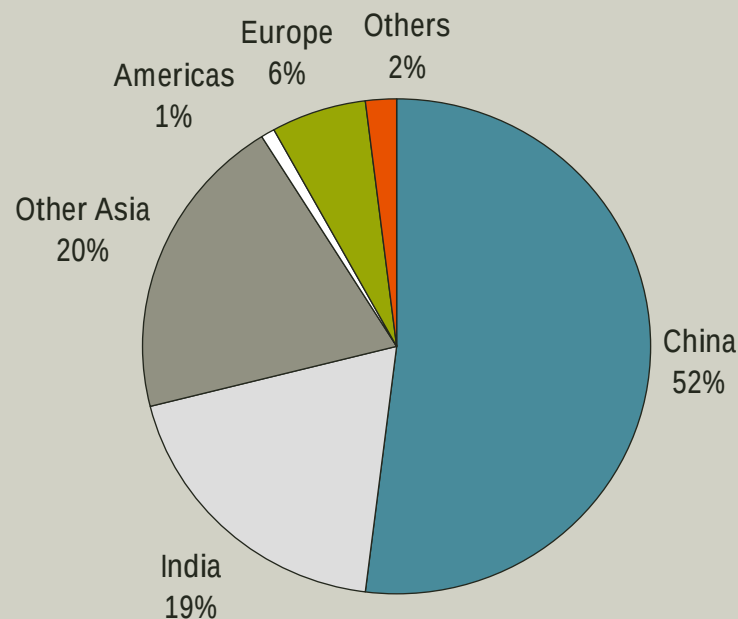
- By 2010, ~ 10 Mt of crude stainless capacity will be added

Growth in stainless steel production expected to continue

Asian melted stainless production continues to rise in 2006



50% of global growth in 2000-2005 took place in China



- In 2005-2007, the growth will be further skewed towards China

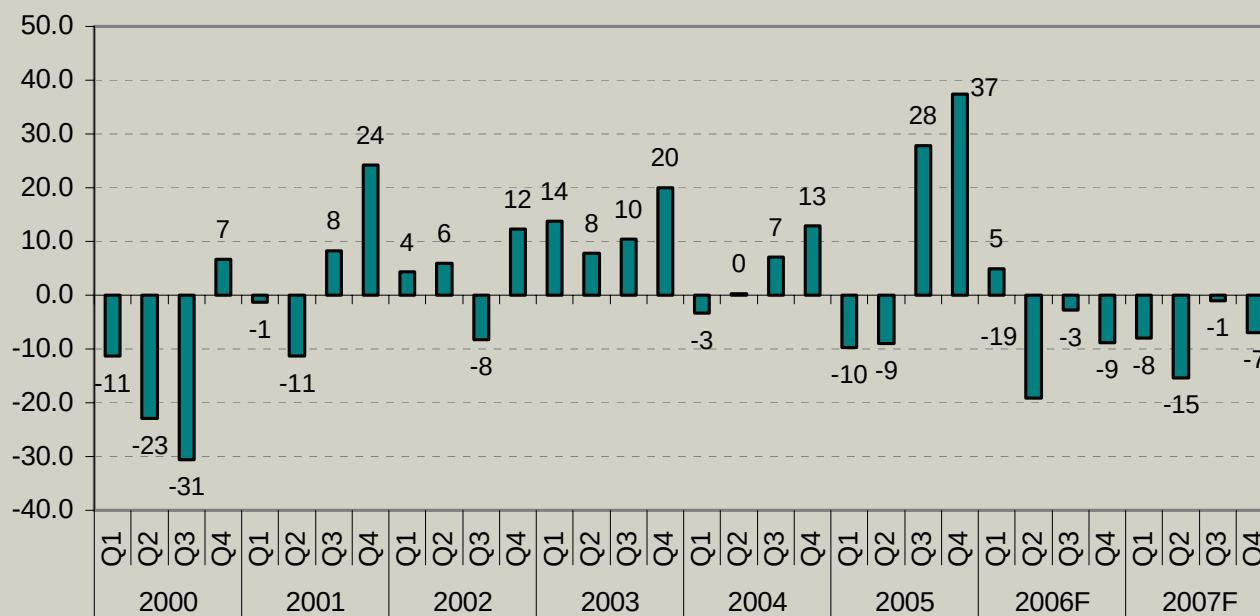
Source: BHP Billiton

Strong nickel demand continues

	2003	2004	2005	2006F	2007F
Global Supply (kt)	1286	1276	1279	1341	1413
% change	2.3%	4.8%	1.4%	4.9%	5.3%
Global Consumption (kt)	1234	1259	1233	1367	1444
% change	1.4%	2.0%	-2.1%	10.9%	5.6%
Surplus/(Deficit)	52	17	47	-26	-31

'000 Tonne

World Nickel Supply & Demand Balance



Source: CRU

Nickel market is in structural tightness

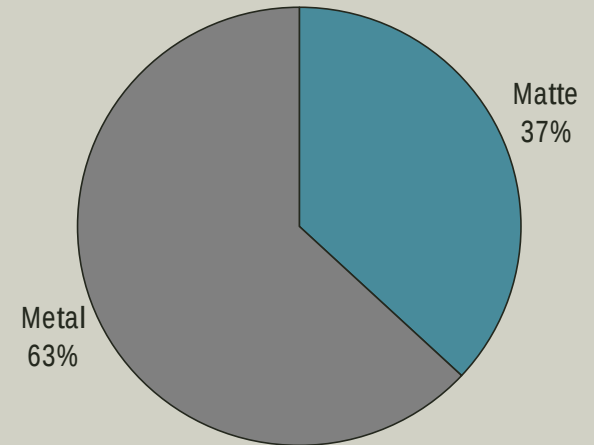
- Nickel demand remains robust
 - 300 series remains the workhorse of the stainless industry because of “core” applications
 - Strong growth in the aerospace industry and land-based turbines
 - Hybrid electric vehicles provide a positive development for long-term growth
- Real constraints to supply
 - No major technological revolution anticipated
 - Capital costs are high
- Nickel demand is, however, sufficiently elastic to avoid a prolonged period of high prices
- Nickel bearing stainless steels remain cost-competitive against alternatives in their core applications



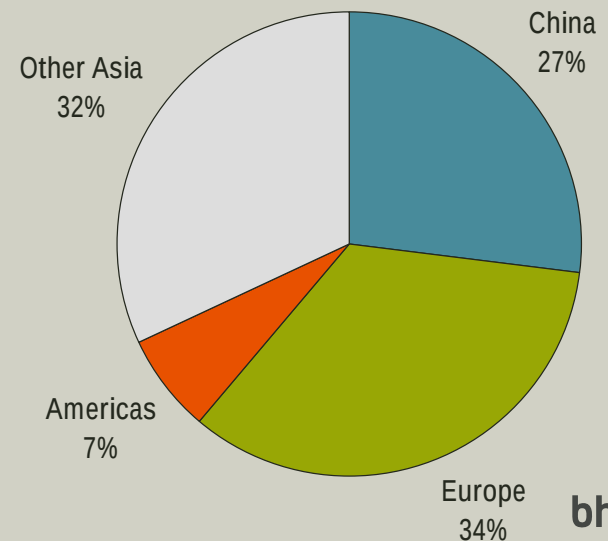
Sales reflect solid foothold in growth markets



Nickel West Sales Material Breakdown FY06



Nickel West Sales Tonnage FY06



Analyst visit to Nickel West

Nickel West Overview

Jimmy Wilson – President Nickel West

11 December 2006



Agenda – Nickel West Overview

- Nickel West Business
- Nickel West's Operations
- Pursuing the Basics
 - Zero Harm
 - Success through People
 - Business Excellence
 - The BHP Billiton Way
- Exploration and Asset Life Extension
- Downstream Efficiency
- Summary

Nickel West – a new and significant business

- In June 2005, BHP Billiton acquired WMC Resources
- WMC's WA nickel operations incorporated into the Stainless Steel Materials CSG as "Nickel West"
- SSM now the world's third largest nickel producer
- Nickel West is the world's third largest producer of nickel concentrate, providing 16% global nickel concentrate production
- Produced 100 Kt contained nickel in FY06
- Nickel exports of US\$1.6B in FY06
- Approximately 3,000 people employed in current operations

Nickel West – a number of operations

Nickel West's operations include:

- Mt Keith Operation (mine and concentrator)
- Leinster Nickel Operation (mine and concentrator)
- Kambalda Nickel Concentrator
- Kalgoorlie Nickel Smelter
- Kwinana Nickel Refinery
- Ravensthorpe Nickel (added to Nickel West in September 2006)



Mt Keith Mine & Concentrator

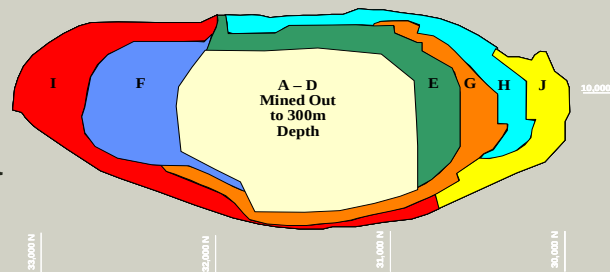
Mine

- Reserves of 243 Mt @ 0.54% Ni (incl. stockpiles)
- Mining rate of ~40 Mbcm/a
- Mine life of over 20 years (incl. stockpiles)



Concentrator

- Ore throughput ~11.5 Mt/a
- Recovery of 60-70%



Production

- 35-40 Kt/a Ni in Conc. @ ~20% Ni grade



Leinster Mines & Concentrator



Mines

- Perseverance underground – ore reserves of 14.5 Mt @ 1.9% Ni – life to ~2013
- Satellite operations planned at Cliffs & Rocky's Reward

Concentrator

- Ore throughput ~3 Mt/a
- Recovery of ~86%

Production

- 35-40 Kt/a Ni in Conc. @ ~12% Ni grade

Kalgoorlie Nickel Smelter & Kambalda Nickel Concentrator



Smelter

- Outokumpu flash smelter
- 750 Kt/a conc. capacity (~105 Kt Ni in matte)
- 10 year+ furnace campaign life
- Furnace re-brick expected ~2010
 - currently reviewing options
 - option to increase MgO tolerance

Concentrator

- Ore throughput ~1.6 Mt/a
- Production of 35-40 Kt/a Ni in Conc. @ ~13% Ni grade
- Output driven by nickel price & third party resource base

Kwinana Nickel Refinery



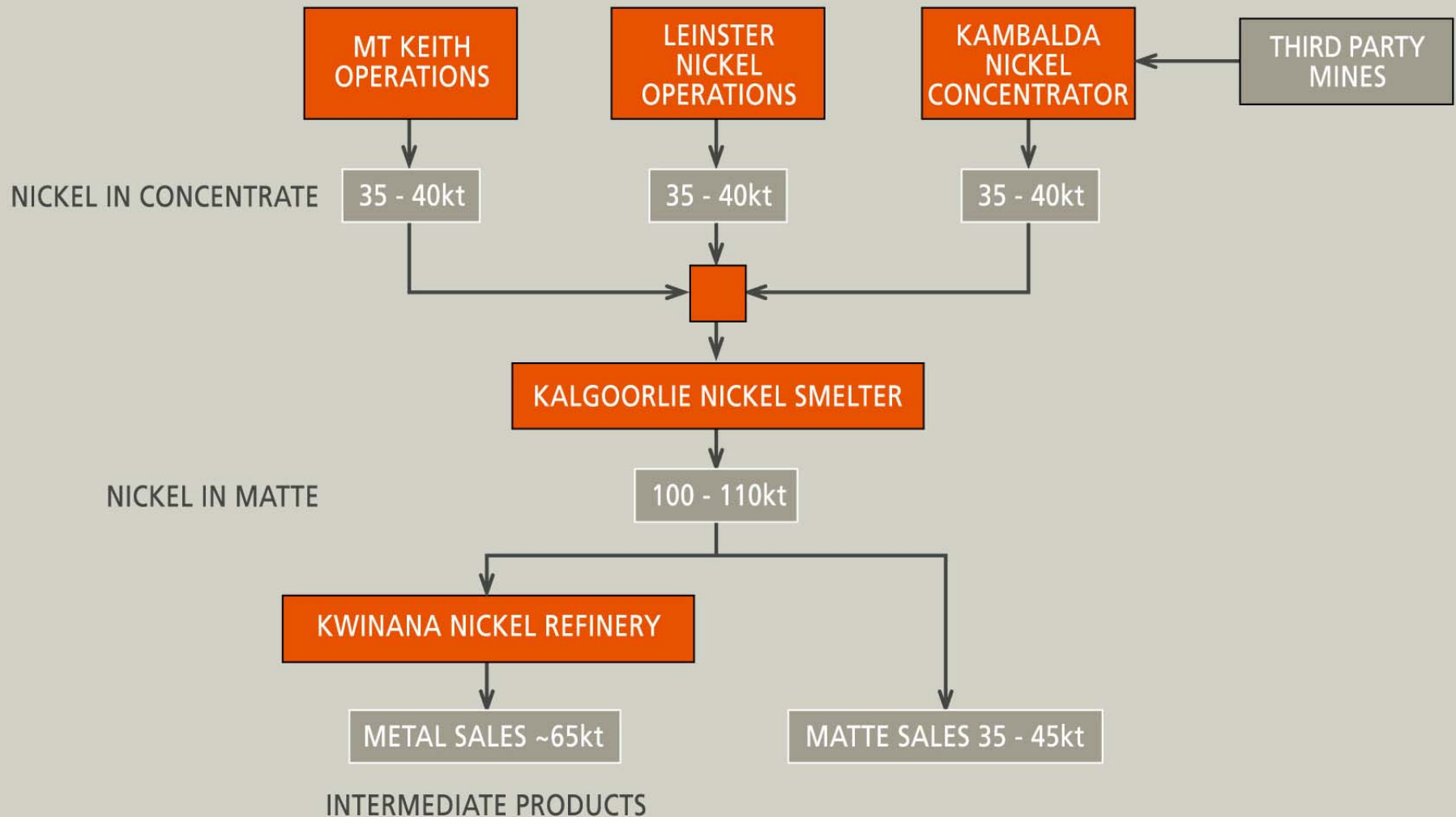
- Based on Sherritt-Gordon technology
- Efficient, low cost producer
- Premium briquette product
- Uses autoclave pressure leaching
- History of low-cost debottlenecking
- Competes with global refineries for matte supply from Smelter
- Production of ~65 Kt/a LME metal briquettes

Ravensthorpe Nickel Operations

- Mine, treatment plant and associated infrastructure
- Will produce a mixed nickel-cobalt hydroxide intermediate product for 25 years
- Product to be shipped to SSM's Yabulu refinery in Queensland
- Ore reserve of 238 Mt @ 0.68% Ni
- Expected capital cost US\$2.2 B
- First metal from Yabulu refinery Q1 CY 2008
- Capacity up to 50 Kt/a contained nickel in concentrate and 1,400 t/a cobalt



Nickel West Current Operations Flow Chart



Nickel West strategy

Vision:

Passion, people, innovation
and performance with Zero
Harm – Nickel at its best

Mission:

We are
passionate about zero harm,
our people, and business
excellence. We must be **best in
world** at finding and acquiring
resources, mining,
concentrating and leveraging
intermediates. Our **business
drivers** are TRIFR and
increasing enterprise value.

Relentlessly pursuing the Basics starts with Zero Harm

Find, acquire and develop resources to fill downstream assets
and go concentrate long

Downstream efficiency & innovation to maximise EBIT margin

Post-acquisition – Laying the base for a sustainable future

FY06

FY07

FY08

FY09

Zero Harm

Zero Harm, Integration, The BHP Billiton Way

Volume

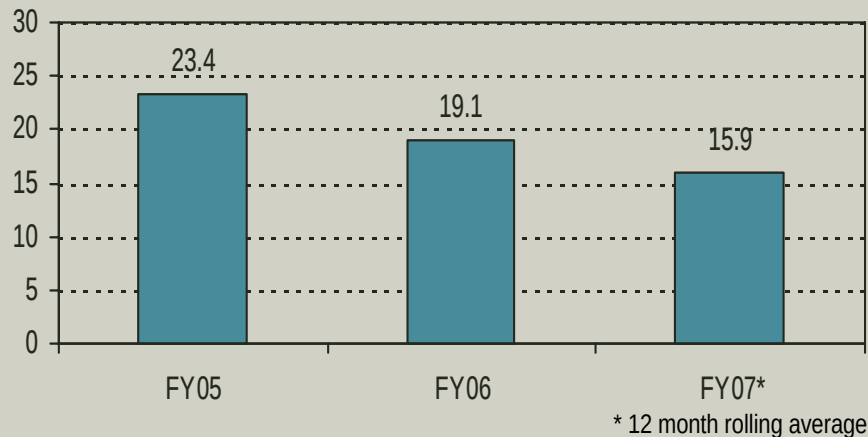
Capacity utilisation, Recovery, Cycle times

Cost

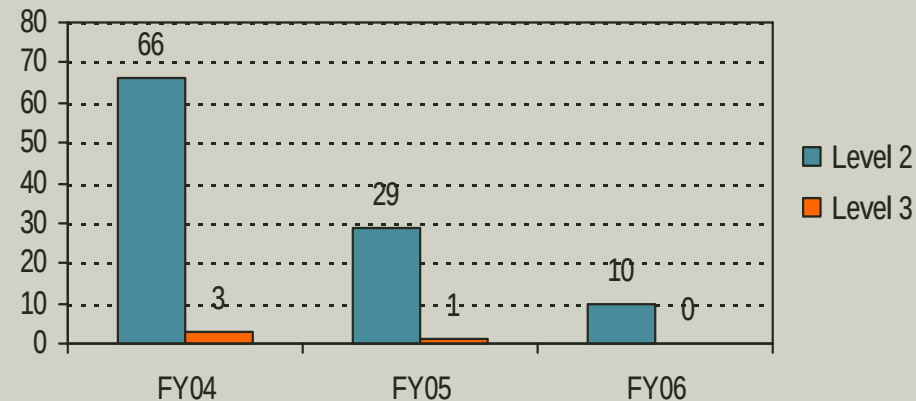
Cost control, Elimination of waste, Procurement

Zero Harm – integrated systems delivering results

Total Recordable Injury Rate (TRIFR)



Environmental Incidents



Strategy post acquisition:

- Get it safe – Zero Harm a key focus
- Get it stable – Operational discipline
- Secure and grow the future

Kalgoorlie Smelter Tapping Floor

Before



After

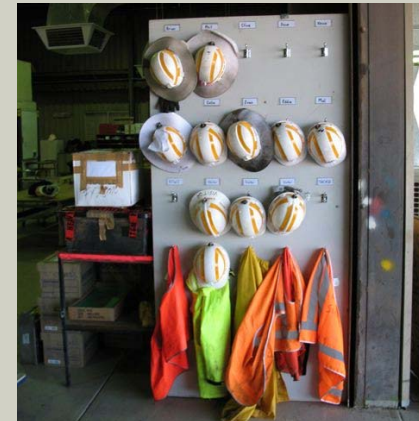


Leinster Store

Before



After



PPE Storage



Access Step

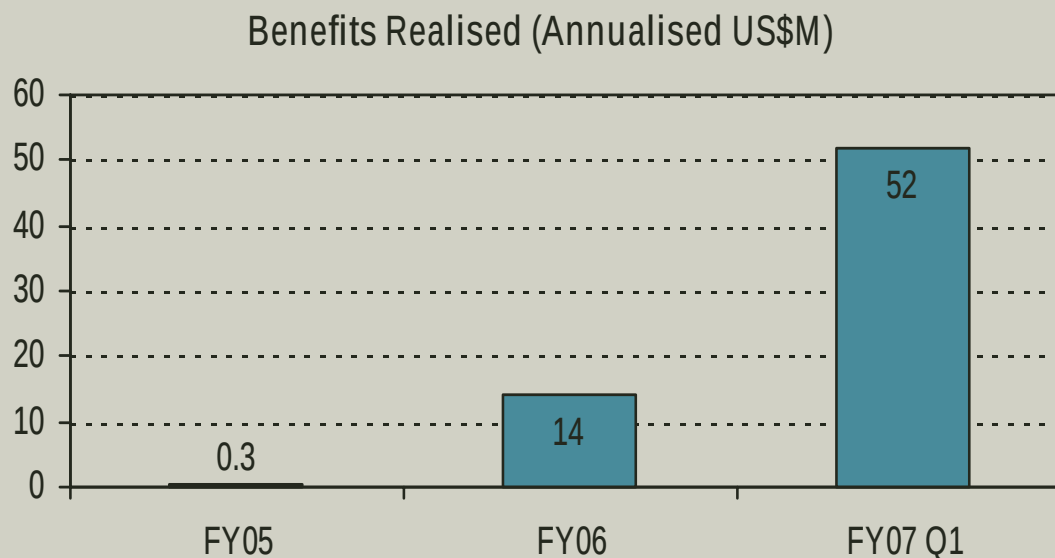


People – building and retaining a talented workforce

- Integration – a great success; done and dusted
- Management team integrates BHP Billiton and WMC personnel
 - Creating a team rich in asset knowledge and nickel industry expertise
- Organisational structure self-sufficient and accountable (EBIT model)
 - Clear strategy and direction aligned to business plans
 - Clear lines of accountability; business and personal metrics deployed
- Leveraging off BHP Billiton brand to attract and retain staff in a very competitive market
- Nickel West has ~1,400 employees and ~1,600 contractors in current operations
 - Employee base has been an “All Staff” workforce since 1994

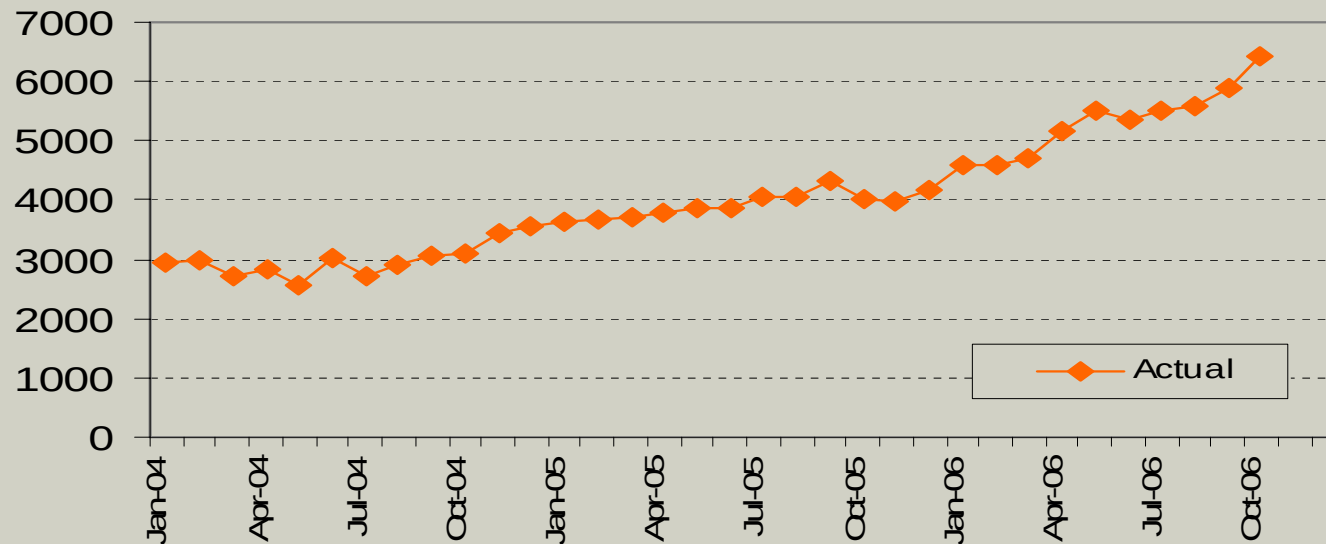
Business Excellence - gaining momentum

- Nickel West driving improvements using Six Sigma under the BHP Billiton Business Excellence (BE) banner
- BE culture implemented through appropriate structures, resourcing, metrics and KPIs
 - Benchmarked against best in class
- Rigorous application of measurement protocols
- Benefits realised cover ongoing cost and revenue benefits



Mt Keith BE = Increased tyre life, decreased cost

KPI R57 Tyres - Last 25 Average Scrap Hours: CI Project

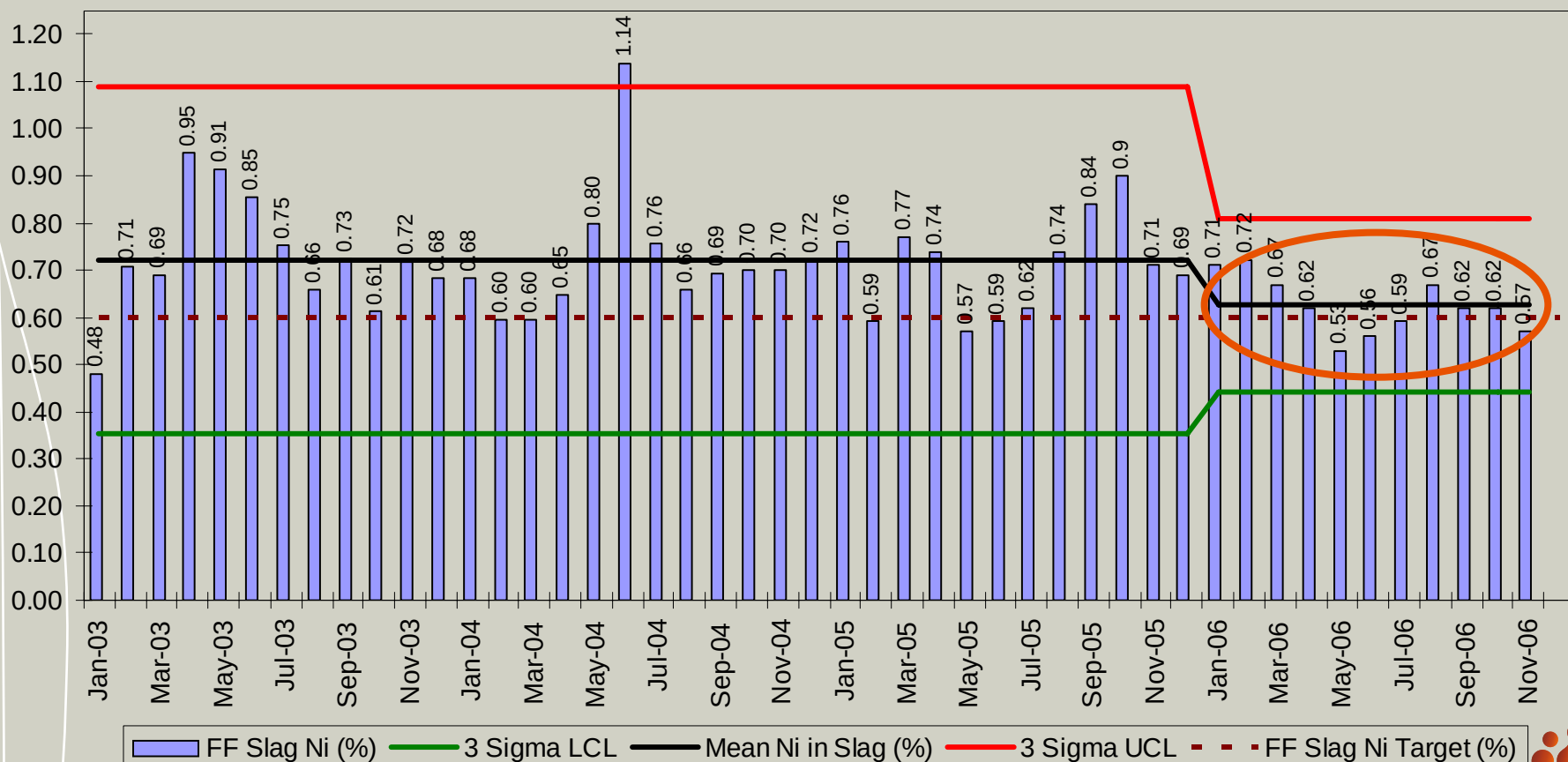


- Tyre life more than doubled
- Average 6,000+ hours for tyres removed in last two months
- One tyre currently on a truck is over 9,000 hours old

Kalgoorlie Smelter BE = Increased nickel matte output

- Recent performance has been a step change improvement downwards compared to previous 3 years

Nickel in FF Slag 2003 to 2006



Business Excellence – Nickel West recognition for delivery

- Kambalda Concentrator Recovery Optimisation project selected in Top 10 for BHP Billiton for FY06
- Benefits realised at Kambalda Concentrator include higher recoveries and lower maintenance costs

Business Excellence Six Sigma

Kambalda Nickel Concentrator Plant Recovery Optimisation

BENEFIT: US\$ 1.62 million

Business Case
Continually improving nickel metal recovery without compromising quality targets has become an increasing opportunity for the business, particularly when comparing actual metal recoveries to historical optimal recoveries.

Project Goals
To enable KNC to reach a consistent processing rate, with stable concentrate quality parameters, whilst delivering maximum nickel metal recoveries, with a stretch target of 2.2% above optimal.

Using Six Sigma
The team worked through developing the process map, SIPOC, data analysis, pareto analysis and Failure Mode Effects Analysis (FMEA). This was followed by brain-storming sessions to develop both quick win and longer term solutions. The solutions were prioritised using the selection matrix to ensure they would deliver results and collated in the Solution Implementation Plan.

Quick Wins
The initial focus was to work on key items that have an impact on recovery to ensure the plant was 'in tune' and capable of delivering good performance. The initial items were:

- Maintenance of reagent flow meters
- Standardisation of cyclone internal parts
- Tuning of plant air control loops in the DCS
- Fitting of a bypass arrangement on a critical flotation pinch valve to ensure uninterrupted operation of critical equipment

Longer Term Solutions
The implementation plan has 20 longer term solutions which will help build on the benefits already being delivered.

Replication – BMA Control Charts
Inspired by an example from the BMA "Coarse Reject Project", the team developed and implemented a Control Chart Board to allow the process technicians to track and respond to plant KPIs. These were instrumental in maintaining a focus on delivering consistent, targeted plant operation.

CSG: Stainless Steel Materials
BUSINESS: Nickel West
LOCATION: Kambalda Concentrator
PROJECT: KNC Asset Utilisation
BLACK BELT: Richard Kern / Barry Dixon
BCS No: KNC Client – Project 004
BENEFIT: US\$ 1.62 million

The world's largest diversified resources company

KNC Asset Utilisation Project Process Control Charts

Control Chart boards have been very well received by the Process Techs and are in use and completed per shift by the technicians.

Team Members L to R: Richard Kern, Barry Dixon, Peter Reed, Sarah Brown, Julia Wender, Brett Macintyre & Brad Walker
Absent: James Palmer, Shane Benker, Lionel Diprose, Paul Botting, Neil Ayre and Trent Kern.

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Nickel West – growing value – the BHP Billiton Way

- Health and Safety - Du Pont, behavioural safety
- Community - deliberate participative approach - aligned to BHP Billiton's approach and funding models
- People - aligning with BHP Billiton brand; positive impact on attractiveness in market place
- Alignment/synergies with other BHP Billiton nickel assets - marketing approach reflects portfolio approach
- Mine planning – better, deeper, clearer understanding of resources
- Third parties - better relationships with Third Party nickel providers; for the long term
- Asset based accountability - Asset fully accountable for results and self-sufficient in key services
- Business Excellence – driven under the BHP Billiton BE banner



Nickel West strategy

Vision:

Passion, people, innovation and performance with Zero Harm – Nickel at its best

Mission:

We are **passionate** about zero harm, our people, and business excellence. We must be **best in world** at finding and acquiring resources, mining, concentrating and leveraging intermediates. Our **business drivers** are TRIFR and increasing enterprise value.

Relentlessly pursuing the Basics starts with Zero Harm

Find, acquire and develop resources to fill downstream assets and go concentrate long

Downstream efficiency & innovation to maximise EBIT margin

Exciting exploration opportunities

- Focus on low cost near-mine 'Brownfields' opportunities near existing infrastructure
- 'Greenfields' opportunities also being explored
- US\$13M exploration expenditure planned in FY07



Asset life extension opportunities – Leinster

Cliffs

- Mineral resource of 2.5 Mt @ 4.3% Ni
- Initial infrastructure established
- Initial mine development to date >1,000m
 - Mid-2007 completion
- Feasibility to be completed mid-2007



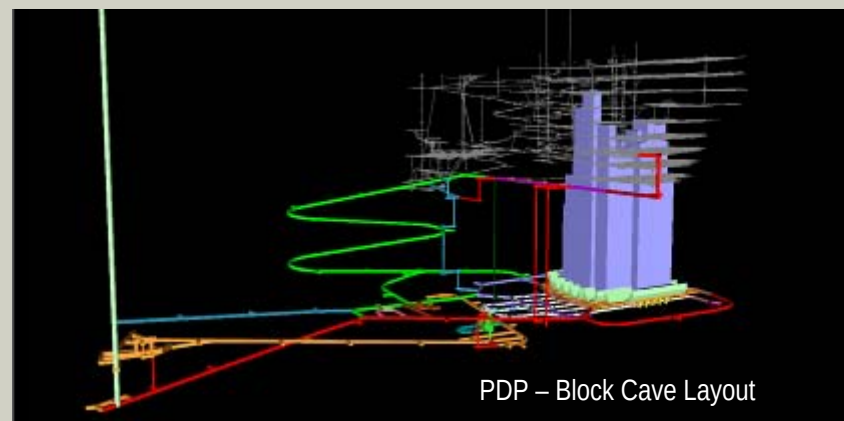
Cliffs Portal



Cliffs Decline- face drilling

Perseverance Deeps

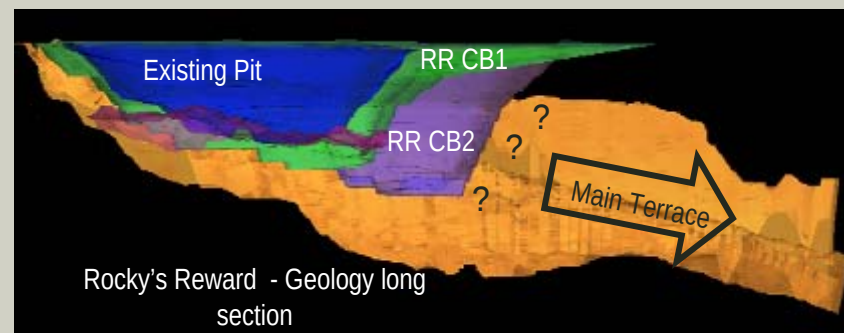
- Mineral resource of 12 Mt @ 2.2% Ni
- Pre-feasibility study to be completed in 2007
- Block Caving likely preferred mining method
- Potential to extend Leinster operations to ~2020



PDP – Block Cave Layout

Rocky's Reward

- Mineral resource of 6.4 Mt @ 1.4% Ni
- Cut back 1 commenced mining
- Cut back 2 commenced pre-feasibility study



Rocky's Reward - Geology long section

Asset life extension opportunities – Mt Keith

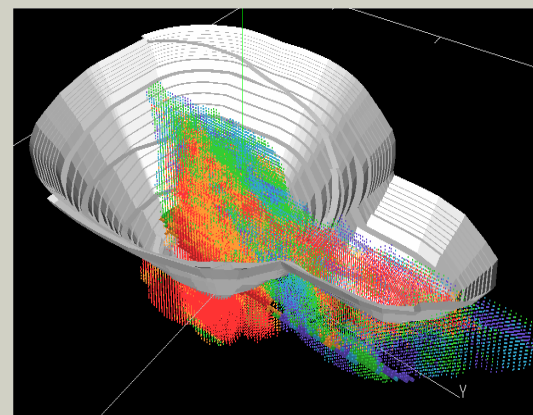
Mt Keith – Stage H

- Mt Keith operated since 1994
- Currently mining Stage F
- Commenced mining Stage G
- Stage H from 2008 - 2015
- Part of total Mt Keith ore reserve of 243 Mt @ 0.54% Ni (incl. stockpiles)



Yakabindie

- Pre-feasibility completed
- Mineral resource of 434 Mt @ 0.58% Ni
- Expected to contribute value in the long-term
- Deferred partly due to heated WA market



Asset life extension opportunities - Kambalda

Objectives

- Extend life and output of the Kambalda region
- Targeted win-win partnerships
- Nickel West participates through concentrate purchase agreements

Mines

- Divested to small focused operators under WMC
- Exceeded expectations in resource conversion

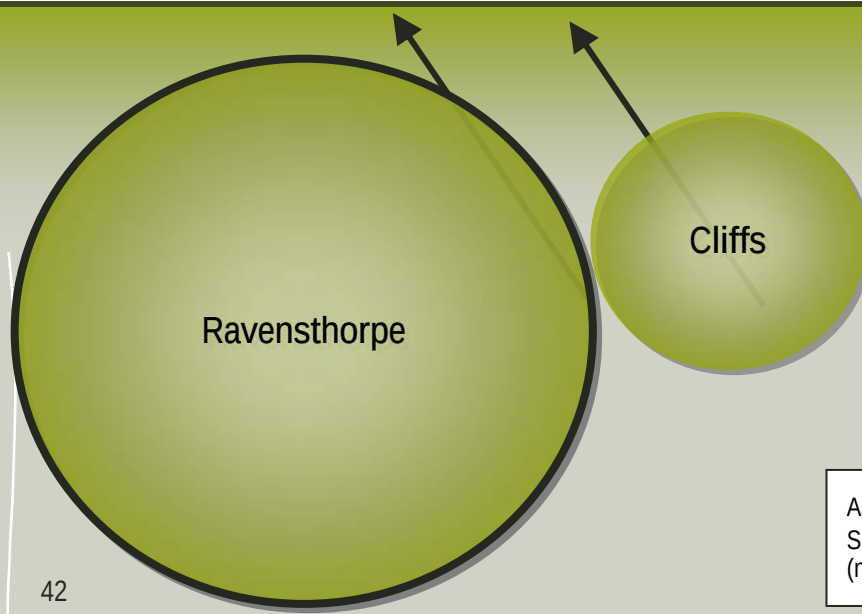
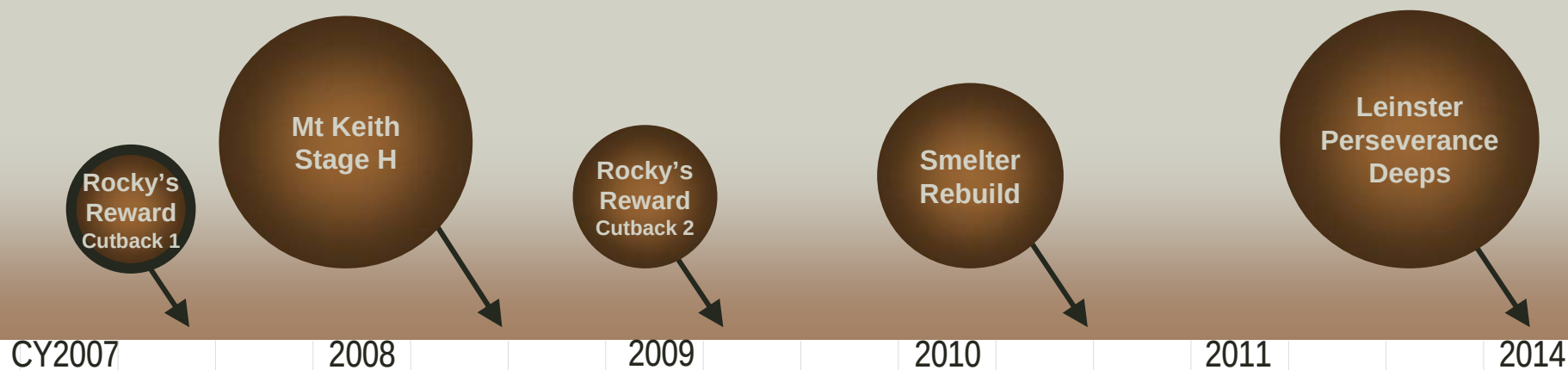
Future Growth

- Third parties investing heavily in exploration and mine development



Nickel West pipeline

BROWNFIELD



GREENFIELD

As at 30 November 2006.
Size of bubble indicates relative size of proposed capital expenditure (not to scale); Bold outer border signifies sanctioned project.

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Downstream efficiency & innovation to maximise EBIT margin

Kalgoorlie Nickel Smelter

Business Excellence

- BE Manager and BE Engineer in place
- Benefits realisation underway & growing
- BE KPIs for all Management Team
- Pipeline of projects (10 in investigation; 5 in implementation)

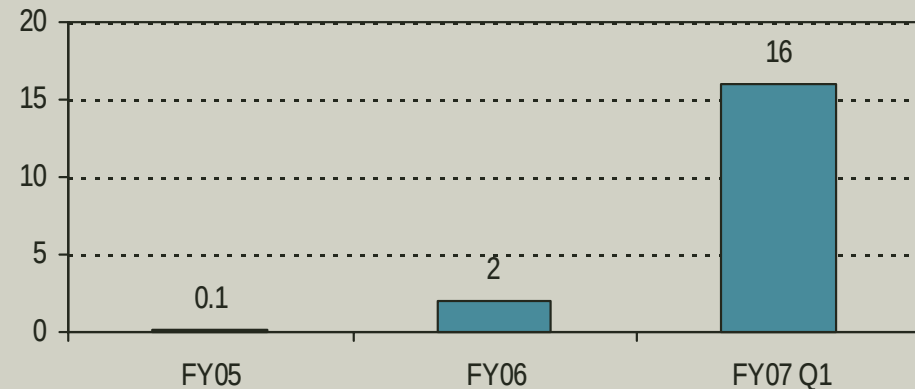
Margin Improvement

- Matte margins attractive

Furnace Rebuild Project

- Current campaign smelted >5 Mt concentrate since 1999
- Campaign life extension program has achieved good results
- Pre-feasibility study in progress to rebuild with improved furnace design post 2010

Benefits Realised (Annualised US\$M)



Kwinana Nickel Refinery

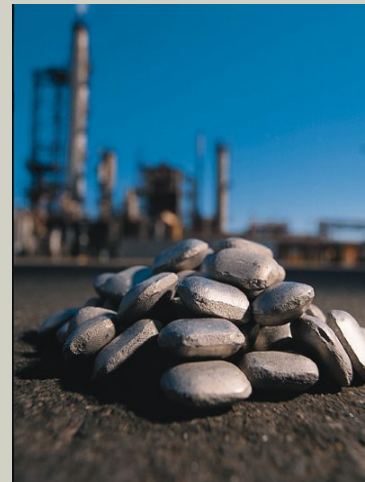
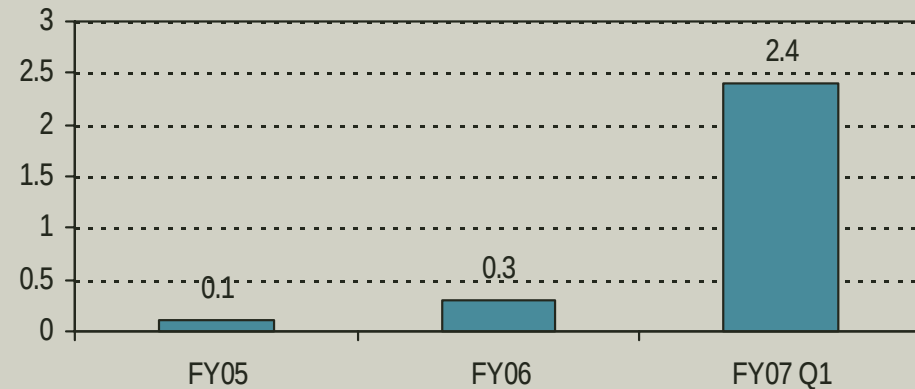
Business Excellence

- BE Superintendent in place
- Benefits realisation underway & growing
- BE KPIs for all Management Team
- Pipeline of projects (2 in investigation; 2 in implementation)

Margin Improvement

- Metal premiums remain strong
- Intermediate products – maximising production of valuable commodities

Benefits Realised (Annualised US\$M)



Nickel West summary

- Zero Harm is our core value
- Nickel West is a key asset for SSM and BHP Billiton
- We have an integrated suite of operations that maximises value
- We are building and retaining a talented workforce
- We are applying Business Excellence and Six Sigma as cornerstones for improvement
- We are embedding the BHP Billiton Way into our operations
- We have exciting exploration and asset life extension opportunities
- We focus on margin maximisation at downstream operations
- We are focussing on creating a long term sustainable future

Analyst visit to Nickel West

Nickel West Production and Financial Outcomes

Andrew Fitzgerald – Vice President Finance Nickel West

11 December 2006



Agenda – Nickel West Production & Financial Outcomes

- Production
- Financial Outcomes
- Cost Structure
- Input Cost Pressures

Production – Matte production consistent with prior years

	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	FY06	FY07 Q1
Matte (Kt)	94	101	105	100	25
Metal (Kt)	64	60	66	62	13

History for FY03, FY04 & FY05 has been derived from WMC's CY02, CY03 & CY04 reported results re-constructed into fiscal years. CY02, CY03 & CY04 production reported for WMC was 92 Kt, 99 Kt & 98 Kt respectively for Matte and 65 Kt, 61 Kt & 63 Kt respectively for Metal.

Financial Outcomes – Price the key driver at present

Basis of reporting different now to WMC reported results

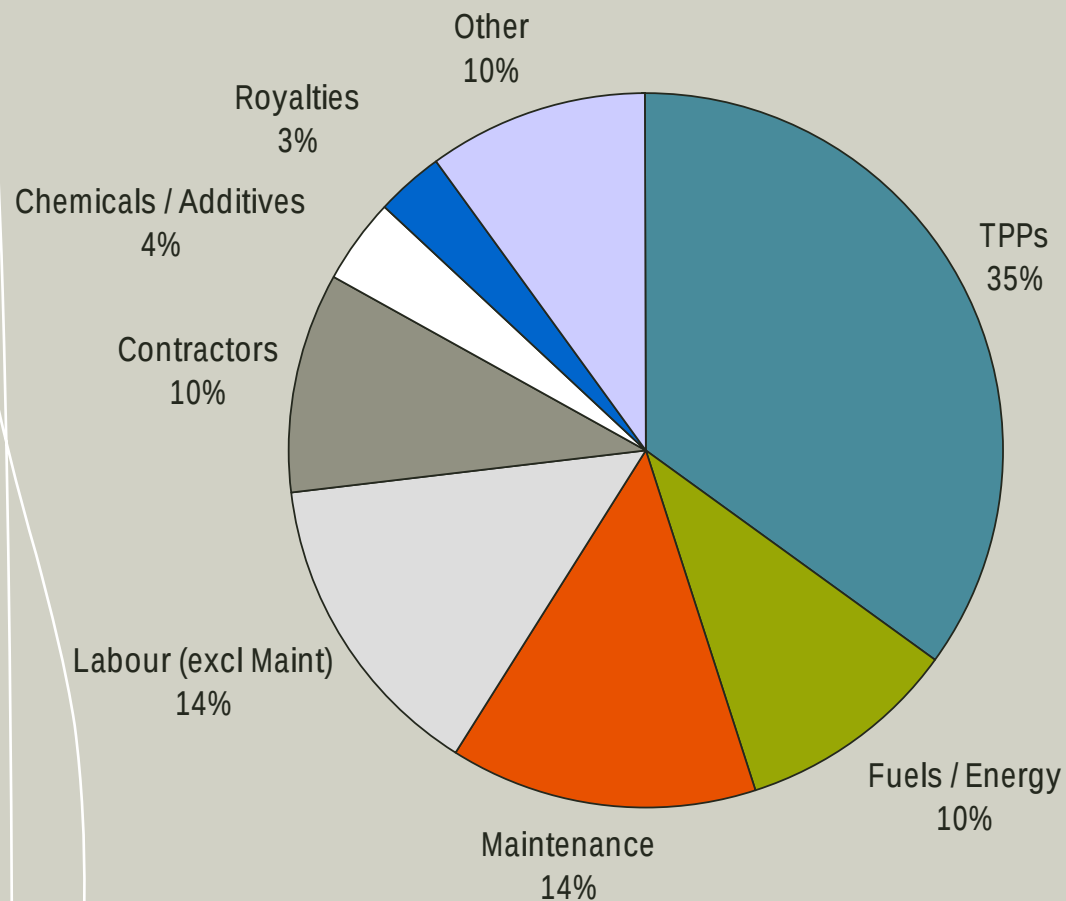
- Fair value accounting
- Accounting policies (deferred stripping and closure accounting)
- US\$ reporting
- Overheads
- IFRS

	FY06
Revenue (US\$M)	1,673
<i>Revenue (US\$/lb average all despatches)</i>	<i>7.09</i>
Third Party Purchases (TPPs) (US\$M)	383
<i>TPPs (US\$/lb)</i>	<i>4.16</i>
EBITDA (US\$M)	490
Depn & Amort (US\$M)	150
EBIT (US\$M)	340
C1 Unit Costs (US\$/lb; Excl TPPs, Incl IPs*)	2.66
C3 Unit Costs (US\$/lb; Excl TPPs, Incl IPs*)	4.06

Sensitivity to Nickel Price – each US\$0.01 change in the LME nickel price changes EBIT by ~ US\$1.5M (revenue impact partly offset by TPP impact)

* IPs are Intermediate Products, such as copper sulphides, mixed sulphides, ammonium sulphate and acid

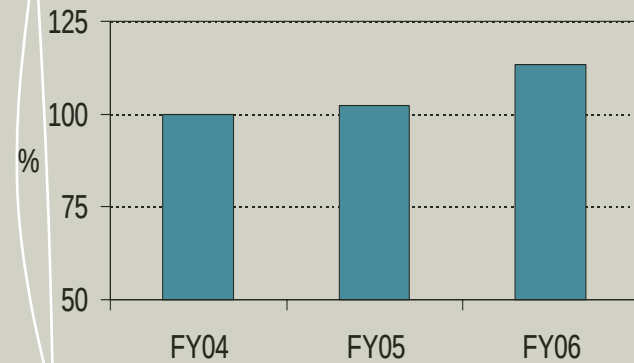
Cost Structure – FY06



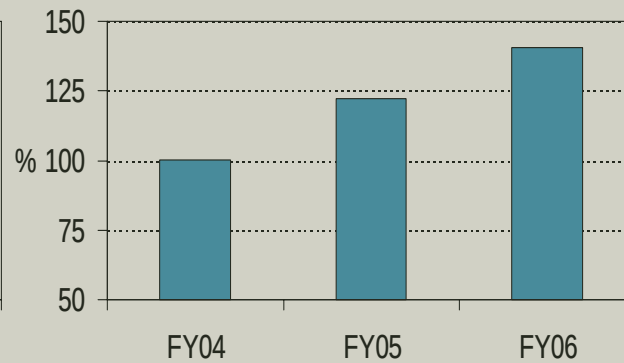
- Total cash costs US\$1.1B
- Fixed : Variable split (excl. TPPs) is ~80 : 20
- Key value drivers
 - Volume
 - Cost reduction
 - 46 BE projects in investigation / implementation

Input cost pressures

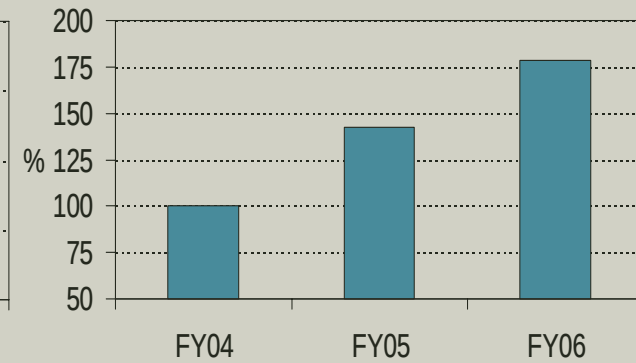
Operations Wages & Salaries



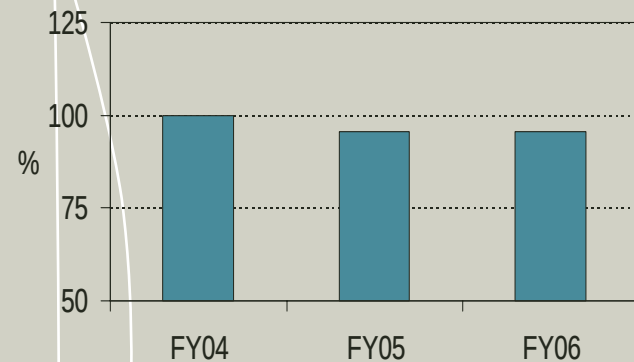
Maintenance



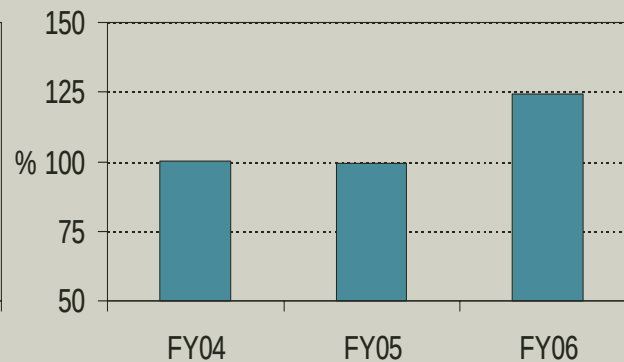
Diesel



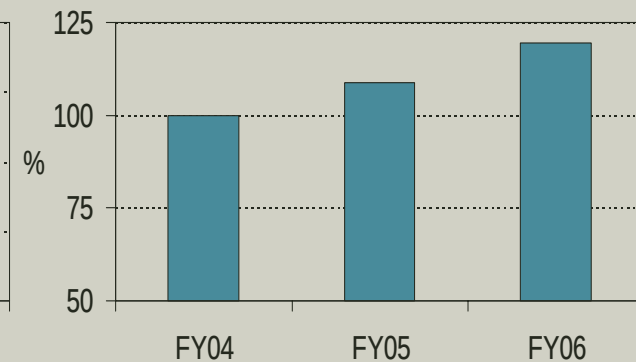
Electricity / Power



Explosives



Quicklime



Analyst visit to Nickel West

Kwinana Nickel Refinery (KNR)

Brett Swayn – General Manager Kwinana Nickel Refinery

11 December 2006

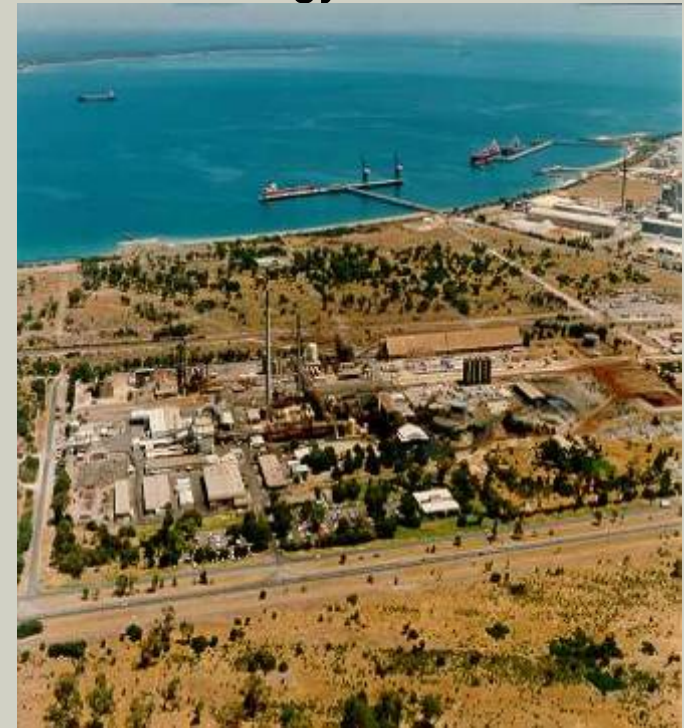


Agenda

- Overview
- Products
- Process
- Strategy
- Performance
 - Zero Harm
 - People
 - Business Excellence
- Production and costs
- Summary

Nickel West – Kwinana Nickel Refinery (KNR) overview

- Reliable feed source from Nickel West Smelter in Kalgoorlie
- World scale production facility using proven technology
 - Sherritt-Gordon process
- Access to gas/power
- Labour
 - Close to metropolitan area for supply
 - All staff workforce
- Kwinana industrial strip synergies
 - Proximity to key reagents/inputs
- Strong Community Reputation
- No solid/liquid waste
 - Markets developed for all intermediate and waste products



KNR Products

Nickel metal

- ~ 65,000 t/a
- LME briquettes and nickel powder
- 26 customers in Europe, Asia, North America

Copper sulphide

- ~ 4,500 t/a
- 60% copper, 35% sulphur
- sold to Japanese refinery

Mixed sulphides

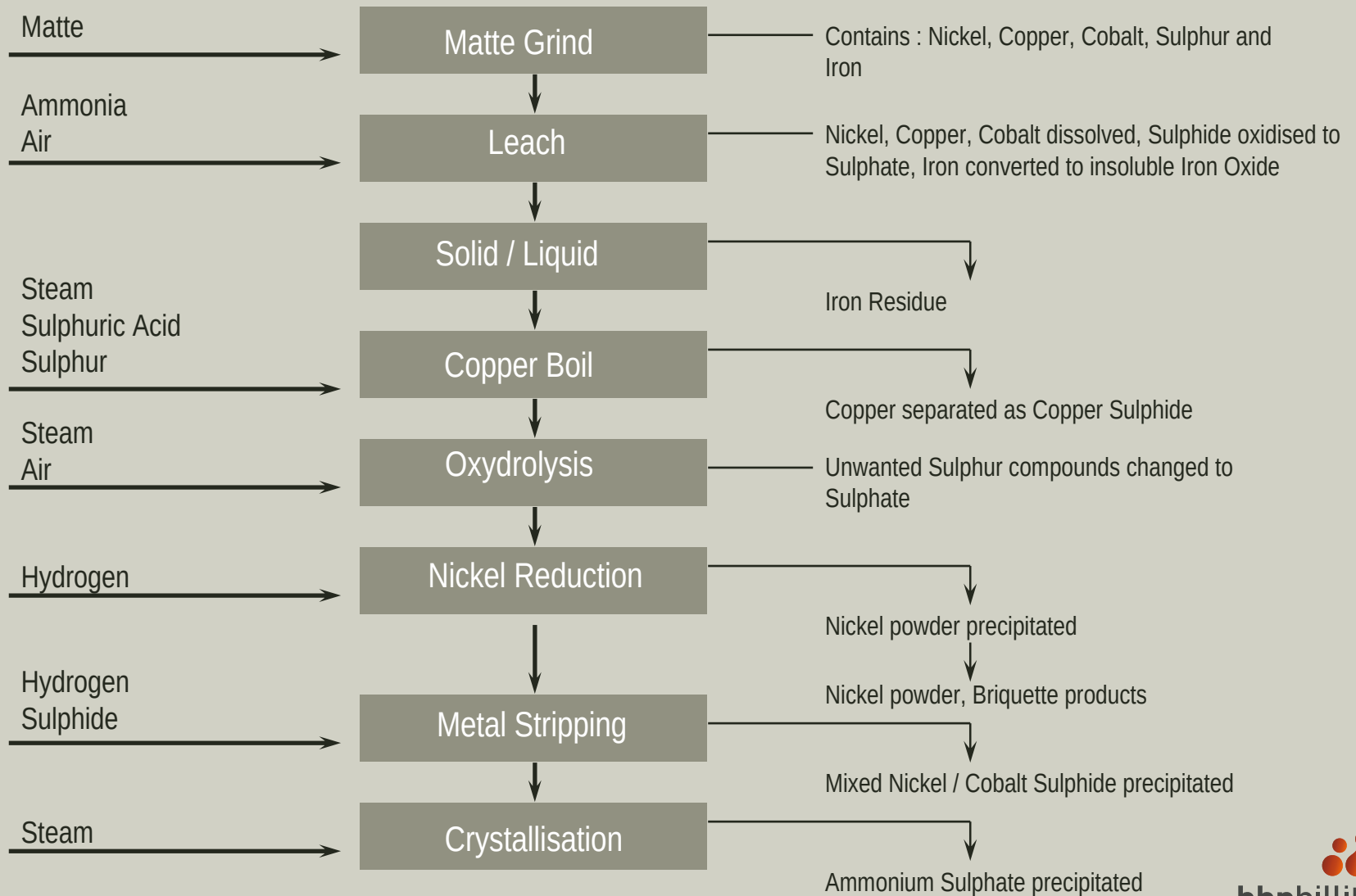
- ~ 3,500 t/a
- 24% nickel, 30% cobalt, 32% sulphur
- toll refined in Europe, sold by BHP Billiton

Ammonium sulphate

- ~ 180,000 t/a
- 21% nitrogen
- sold to fertiliser manufacturers



KNR – A world class process



KNR Strategy – Three Horizons



Relentlessly Pursue the Basics (Reduce Injuries & Increase asset utilisation)

- Zero Harm
- Engaged workforce
- Producing premium LME product
- Increased reliability
- Targeted capital investment

Build To Last (Safe low cost operation)

- Zero Harm
 - Every injury is preventable
 - Leader in risk management
- Building long term win-win contractor relationships
- World class costs ¢/lb
- Intermediate product margin improvement

Create The Future (low cost de-bottlenecking)

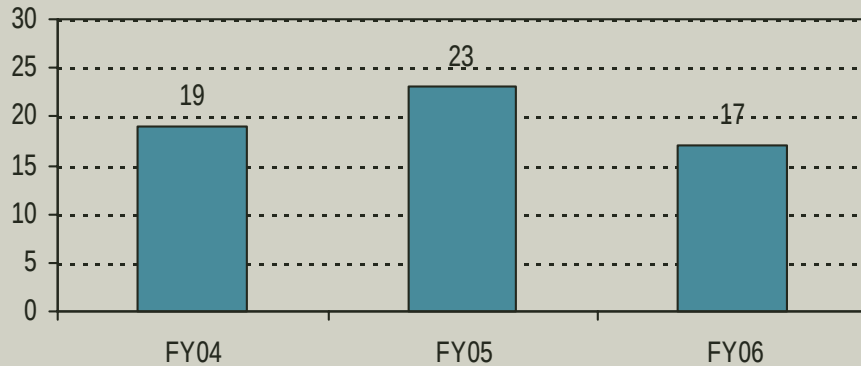
- Low cost capacity increase
- SSM synergies

KNR Strategy – Hedgehog Focusing Tool

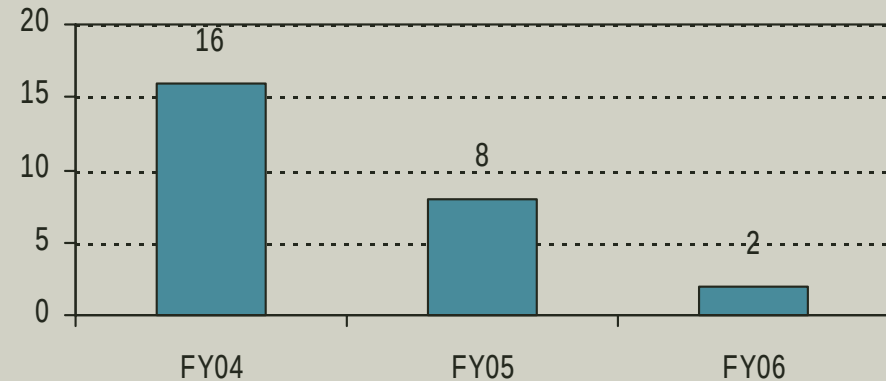


KNR Performance - Zero Harm

Total Recordable Injury Rate (TRIFR)



Level 2+ Environmental Incidents



- Field Leadership / Hazard Reporting & Closeout
- BHP Billiton HSEC Management Standards
- Fatal Risk Control Protocols
- Process Safety Risk Management

KNR Performance - Zero Harm – Amsul Unit

Before



After



KNR Performance - Zero Harm

Nickel Hygiene Study

- Determine baseline levels for nickel exposure in site personnel
- 12 weeks and 405 employees and contractors participated
- Average result within exposure range for general population
- Recognised with a BHP Billiton HSEC Merit Award

Community

- Establishment of a Joint KNR - Community 'Community Participation Team' who assess all applications for grants
- Received a 2006 National Landcare Supporters Award



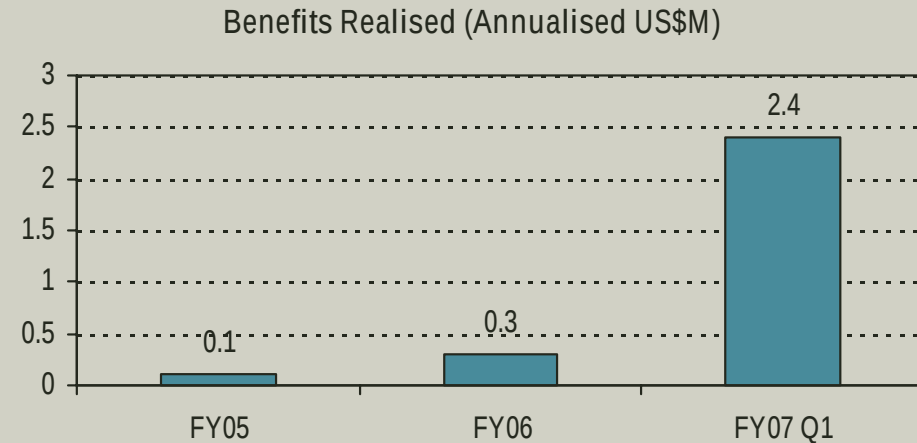
KNR Performance - People

- Management team combines BHP Billiton and WMC backgrounds
 - Draws on asset knowledge and nickel industry expertise
 - Recruiting key talent from relevant industries
- Site accountability with functional support
- Strategy aligned to Nickel West business plans
- 24hr Operation
- 4 Shift Crews
- Employee base is “All Staff” workforce
- Total workforce ~ 400

KNR Performance - Business Excellence

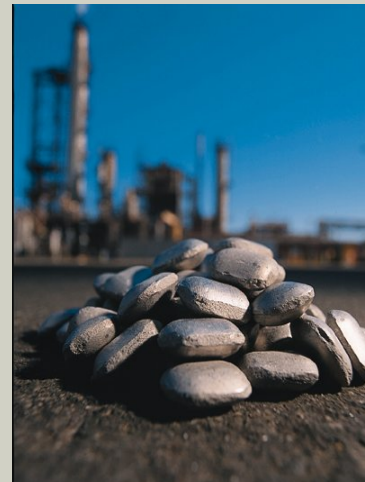
Business Excellence

- BE Superintendent in place
- Benefits realisation underway & growing
- BE KPIs for all Management Team
- Pipeline of projects (2 in investigation; 2 in implementation)



Margin Improvement

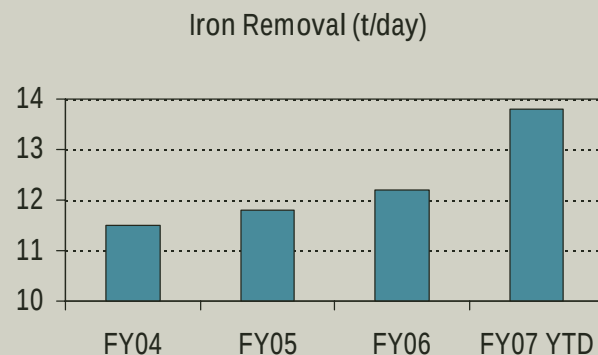
- Metal premiums remain strong
- Intermediate products – maximising production of valuable commodities



KNR Production

	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	FY06	FY07 Q1
Metal (Kt)	<i>64</i>	<i>60</i>	<i>66</i>	62	13

- FY07 Q1 production results impacted by residue filtration capacity issues
- Q2 production on track – Iron removal improving
- FY07 full year production results will be impacted by major scheduled outage in Q3, as per FY04 production results



History for FY03, FY04 & FY05 has been derived from WMC's CY02, CY03 & CY04 reported results re-constructed into fiscal years. CY02, CY03 & CY04 production reported for WMC was 65 Kt, 61 Kt & 63 Kt respectively for Metal.

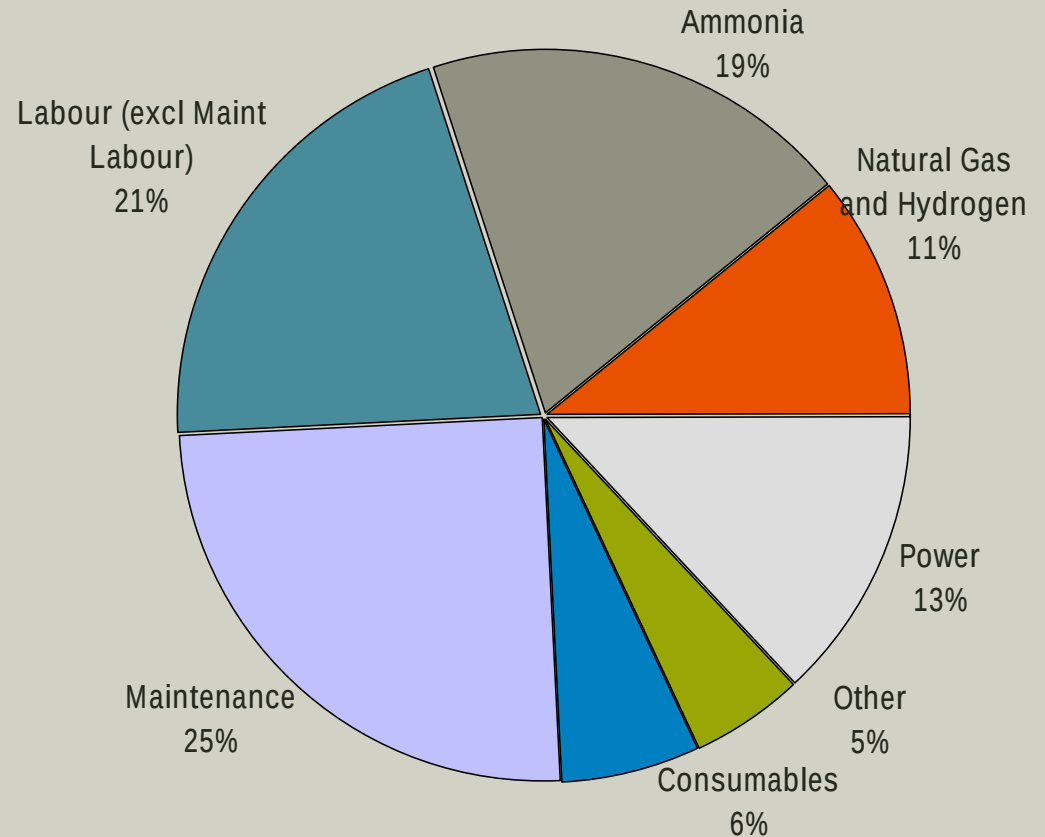
KNR Production – Delivering excellence in a major scheduled outage

- Planned 3 yearly outage
 - March 2007 – 21 day production loss
 - Certified machinery inspections
- HSEC Management Plan
 - Transfer success learnings from Smelter
- Detailed Job List and Cost Control Process with Risk Analysis
- Sourcing of people a key consideration
 - ~600 contractors on site during outage
 - Working with partners and contractors to source quality people in competitive environment
 - Close proximity to metropolitan area for supply
- Benchmarking other sites and industries



KNR Costs – FY06 Cost Structure (excluding matte feed)

- Fixed : Variable split is ~67 : 33
- Two key value drivers
 - Low cost capacity creep
 - Business excellence cost reduction



KNR Summary

- Zero Harm is our core value
- We operate a world class asset and a world class process
- We are building and retaining a talented workforce
- We are applying Business Excellence to our operations
- We will deliver excellence during the major scheduled outage
- We focus on margin maximisation